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C O N F I D E N T I A L SECTION 01 OF 02 ROME 004989

SIPDIS

USDA/FAS/MACKE/JONES/SLUTSKY; USDA FOR DAVID HEGWOOD; STATE PASS USTR FOR SLOAN

E.O. 12958: DECL: 10/10/2007

TAGS: ETRO EAGR TBIO EAGR TBIO IT EUN ITETRO EUN SUBJECT: PRESSING ITALIAN POLICYMAKERS ON EU BIOTECH ISSUES

REF: A. A) BRUSSELS 4869

¶B. B) BRUSSELS 4538

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1C. C) STATE 176834

¶D. D) BRUSSELS 3764

CLASSIFIED BY: ECMIN SCOTT KILNER, FOR REASONS 1.5 (B) AND (D)

 $\underline{\P}1.$ (C) SUMMARY: IN DEMARCHES ON SENIOR GOI OFFICIALS OCTOBER 8-10, DCM, ECMIN, AGMIN AND SCIENCE COUNSELOR PRESSED THE U.S. POSITION ON EU TRACEABILITY AND LABELING (T/L) AND FOOD AND FEED (F/F) PROPOSALS. EMPHASIZING THAT THE UPCOMING AGRICULTURE MINISTERS COUNCIL AND ENVIRONMENT MINISTERS COUNCIL WOULD BE OF KEY IMPORTANCE, THEY ASKED THAT ITALY
TAKE MORE REASONABLE, SCIENCE-BASED POSITIONS (REF A) IN BOTH
MEETINGS. DESPITE UNDERSTANDING FOR OUR POSITION IN SEVERAL
PARTS OF THE GOVERNMENT, GOI BIOTECH POLICY CONTINUES TO BE
DRIVEN BY THE OBSTRUCTIONIST MINISTER OF AGRICULTURE. END SUMMARY.

VICE MINISTER FOR FOREIGN TRADE URSO

12. (C) ECMIN MET OCTOBER 8 WITH DEPUTY MINISTER OF FOREIGN TRADE ADOLFO URSO. HE TOLD URSO THAT, ALTHOUGH PRIME MINISTER BERLUSCONI AND OTHER GOI OFFICIALS HAD SPOKEN IN FAVOR OF BIOTECHNOLOGY, WE WERE DISAPPOINTED THAT AGRICULTURE MINISTER ALEMANNO CONTINUED HIS ANTI-BIOTECH CAMPAIGN UNCHECKED. ECMIN POINTED TO RECENT GOI/USG COOPERATION ON THE WHEAT MARGIN OF PREFERENCE ISSUE AS AN EXAMPLE OF HOW THE U.S. AND ITALY COULD WORK TOGETHER EVEN ON AGRICULTURE ISSUES. WE WOULD LIKE TO SEE SIMILAR DIALOGUE AND COOPERATION ON BIOTECHNOLOGY.

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- PAGE 03 ROME 04989 01 OF 02 111704Z 13. (C) A MORE COHERENT, FLEXIBLE GOI POSITION WOULD BE VERY PAGE 03 IMPORTANT FOR THE EU AGRICULTURE AND ENVIRONMENT COUNCIL MEETINGS OCTOBER 15-17. STRESSING THAT THE U.S. HAD WORKED TO NARROW OUR REQUESTS FOR CHANGES IN THE T/L AND F/F PROPOSALS TO A FEW CRUCIAL POINTS, ECMIN ASKED THAT URSO RAISE OUR CONCERNS WITH HIS COLLEAGUES.
- 4.(C) URSO NOTED THAT MANY IN THE GOI, INCLUDING THE PRIME MINISTER, DEPUTY PRIME MINISTER -- AND URSO HIMSELF -- WERE QUITE OPEN ON BIOTECHNOLOGY. HOWEVER, THE MINISTERS MOST INVOLVED IN SETTING BIOTECH POLICY WERE AGRICULTURE MINISTER ALEMANNO AND ENVIRONMENT MINISTER MATTEOLI. URSO UNDERSTOOD THE U.S. POINTS, AND UNDERTOOK TO DISCUSS THEM WITH MINISTER ALEMANNO, DEPUTY PRIME MINISTER FINI AND THE PRIME MINISTER'S OFFICE.
- (C) URSO ALSO COMMENTED THAT, A FEW WEEKS AGO IN OTTAWA HE HAD DISCUSSED BIOTECHNOLOGY WITH CANADA'S DEPUTY MINISTER OF FOREIGN TRADE. URSO HAD SUGGESTED A TRADE OFF BETWEEN A MORE HELPFUL ATTITUDE TOWARD ITALY'S GEOGRAPHIC INDICATORS PROPOSAL IN RETURN FOR A MORE HELPFUL ITALIAN ATTITUDE ON BIOTECHNOLOGY. OF COURSE, THIS WAS ONLY AN IDEA, NOT YET A PROPOSAL, AND NEEDED A GREAT DEAL OF WORK, BUT IT MIGHT ADVANCE TWO ISSUES OF GREAT IMPORTANCE TO OUR TWO RESPECTIVE COUNTRIES.
- ${\color{red} \underline{\bf 16}}$. (C) IN REPLY, ECMIN SAID THAT WASHINGTON WAS HIGHLY UNLIKELY EVEN TO CONSIDER SUCH AN IDEA SO LONG AS THE AGRICULTURE MINISTER CONTINUED TO CAMPAIGN FIERCELY AND PUBLICLY AGAINST BIOTECHNOLOGY.

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ROME 04989 01 OF 02 111704Z URSO IS A LONG-TIME CLOSE ASSOCIATE OF DEPUTY (C) NOTE: PRIME MINISTER FINI. FINI, URSO AND MATTEOLI REPRESENT THE LEADING FACTION OF THE ALLIANZA NAZIONALE (AN) COALITION
PARTNERS. AGRICULTURE MINISTER ALEMANNO IS A MEMBER OF A
SMALLER FACTION WITHIN AN. MFA EU AFFAIRS OFFICIAL MASSIMO
GAIANI TOLD US OCTOBER 9 THAT URSO'S STAFF HAD BRIEFED HIM ALREADY ON ECMIN'S MEETING WITH URSO. END NOTE.

8.(C) AGMINCOUNSELOR MET WITH MINISTRY OF AGRICULTURE UNDER SECRETARY SCARPA TO DISCUSS REF A DEMARCHE. SCARPA, WHO

STRONGLY DIFFERS FROM AGRICULTURE MINISTER ALEMANNO ON THE SUBJECT OF BIOTECHNOLOGY, HAS CLOSE TIES TO BERLUSCONI. SCARPA WELCOMED U.S. EFFORTS TO CONSTRUCTIVELY ENGAGE THE EU ON WHERE AND HOW THE T/L AND F/F PROPOSALS COULD BE MADE MORE PALATABLE FOR THE U.S. HE WAS, HOWEVER, PESSIMISTIC THAT ALEMANNO COULD BE PERSUADED TO TAKE A MORE FLEXIBLE LINE ON THE F/F PROPOSAL. SCARPA PROMISED TO SHARE THE U.S. MESSAGE WITH THE AGRICULTURE MINISTER, BUT INDICATED THAT BIOTECHNOLOGY WAS BECOMING AN IMPORTANT POLITICAL PLANK FOR ALEMANNO, LEAVING HIM WITH LESS AND LESS ROOM FOR MANEUVER.

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ACTION EUR-00

LOG-00 NP-00 AGRE-00 AID-00 CTME-00 DODE-00 SRPP-00 EB-00 INFO LOG-00 CEA-01 CIAE-00 COME-00 EXIM-01 E-00 VC-00 FRB-00 HHS-01 H - 01TEDE-00 INR-00 ITC-01 L-00 AC-01 NSAE-00 NSCE-00 OES-01 VCE-00 OMB-01 OPIC-01 TRSE-00 USIE-00 ACE-00 SP-00 SSO-00 SS-00 STR-00 EPAE-00 DRL-02 G = 0.0/011W SAS-00 -----F5F73E 111704Z /38

P 1116267 OCT 02 FM AMEMBASSY ROME TO SECSTATE WASHDC PRIORITY 6299 INFO EU MEMBER STATES COLLECTIVE PRIORITY AMCONSUL MILAN AMCONSUL FLORENCE AMCONSUL NAPLES

C O N F I D E N T I A L SECTION 02 OF 02 ROME 004989

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(C) SCARPA ALSO PROMISED TO SHARE U.S. VIEWS WITH THE PRIME MINISTER'S UNDER SECRETARY (AND CLOSE ADVISOR) GIANNI CONFIDENTIAL

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LETTA. SCARPA NOTED THAT, IN HIS VIEW, THE ONLY LEVERAGE
POSSIBLE WITH ALEMANNO IS HIS DESIRE TO AVOID CONFRONTATION
WITH THE PRIME MINISTER. HENCE, SCARPA'S EFFORTS TO KEEP
LETTA INFORMED OF DEVELOPMENTS. WE HAVE HEARD SUBSEQUENTLY
FROM SCARPA'S STAFF THAT LETTA ABSENTINFORMED OF THE LATEST DEVELOPMENTS IN THE U.S. POSITION.

ENVIRONMENT MINISTRY DG CLINI

- $\underline{\ }$ 110. (C) SCIENCE COUNSELOR MET WITH ENVIRONMENT MINISTER MATTEOLI'S DIRECTOR GENERAL FOR INTERNATIONAL AFFAIRS, CORRADO CLINI, ON OCTOBER 9 TO DISCUSS REFTEL POINTS, AS WELL AS THE MINISTER'S TRIP TO THE U.S. MATTEOLI WILL SIGN AN AGREEMENT WITH EPA ADMINISTRATOR WHITMAN, PART OF WHICH WILL INVOLVE SCIENTIFIC COOPERATION ON BIOTECHNOLOGY.
- (C) CLINI NOTED THAT ENVIRONMENT MINISTRY MATTEOLI WILL REPRESENT HIS MINISTRY'S VIEWS AT THE OCTOBER 17 COUNCIL OF ENVIRONMENT MINISTERS, AS THERE WAS NO COORDINATED GOI POSITION.

PRIME MINISTER'S DIPLOMATIC ADVISOR CASTELLANETA

12.(C) THE DCM MET OCTOBER 10 WITH DIPLOMATIC ADVISOR CASTELLANETA IN THE PRIME MINISTER'S OFFICE. EXPLAINING THE IMPORTANCE OF THE OCTOBER 15-17 MEETINGS IN BRUSSELS, THE DCM ASKED CASTELLANETA TO HAVE THE MINISTERS OF AGRICULTURE AND ENVIRONMENT WORK CONSTRUCTIVELY IN THEIR RESPECTIVE COUNCILS.

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13. (C) CASTELLANETA TOOK NOTES ON THE U.S. POSITION AND UNDERTOOK TO COMMUNICATE WITH AG MINISTER ALEMANNO AND ENVIRONMENT MINISTER MATTEOLI.

COMMENT:

114. (C) WE HAVE, WITHOUT QUESTION, GOTTEN THE GOI'S ATTENTION ON THE UPCOMING BRUSSELS MEETINGS. DESPITE THE EXPRESSIONS OF UNDERSTANDING FROM OUR SEVERAL GOI INTERLOCUTORS, IT REMAINS TO BE SEEN WHETHER ALEMANNO AND MATTEOLI WILL SOFTEN THEIR STANCES WHILE IN THE ITALIAN CHAIR DURING THEIR RESPECTIVE COUNCIL MEETINGS. IN THE LONGER RUN, ALL SIGNS CONTINUE TO POINT TO THE REALITY THAT A SIGNIFICANT SHIFT IN ITALY'S BIOTECH POLICY WILL REQUIRE THE DIRECT, PERSONAL ENGAGEMENT BY THE PRIME MINISTER.

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